

E2SHB 2518 - S COMM AMD
By Committee on Ways & Means

NOT ADOPTED 03/11/2004

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.16 RCW
4 to read as follows:

5 (1) For the purposes of this section:

6 (a) "Chlor-alkali electrolytic processing business" means a person
7 who is engaged in a business that uses more than ten average megawatts
8 of electricity per month in a chlor-alkali electrolytic process to
9 split the electrochemical bonds of sodium chloride and water to make
10 chlorine and sodium hydroxide. A "chlor-alkali electrolytic processing
11 business" does not include direct service industrial customers or their
12 subsidiaries that contract for the purchase of power from the
13 Bonneville power administration as of the effective date of this
14 section.

15 (b) "Sodium chlorate electrolytic processing business" means a
16 person who is engaged in a business that uses more than ten average
17 megawatts of electricity per month in a sodium chlorate electrolytic
18 process to split the electrochemical bonds of sodium chloride and water
19 to make sodium chlorate and hydrogen. A "sodium chlorate electrolytic
20 processing business" does not include direct service industrial
21 customers or their subsidiaries that contract for the purchase of power
22 from the Bonneville power administration as of the effective date of
23 this section.

24 (2) Effective July 1, 2004, the tax levied under this chapter does
25 not apply to sales of electricity made by a light and power business to
26 a chlor-alkali electrolytic processing business or a sodium chlorate
27 electrolytic processing business for the electrolytic process if the
28 contract for sale of electricity to the business contains the following
29 terms:

1 (a) The electricity to be used in the electrolytic process is
2 separately metered from the electricity used for general operations of
3 the business;

4 (b) The price charged for the electricity used in the electrolytic
5 process will be reduced by an amount equal to the tax exemption
6 available to the light and power business under this section; and

7 (c) Disallowance of all or part of the exemption under this section
8 is a breach of contract and the damages to be paid by the chlor-alkali
9 electrolytic processing business or the sodium chlorate electrolytic
10 processing business are the amount of the tax exemption disallowed.

11 (3) The exemption provided for in this section does not apply to
12 amounts received from the remarketing or resale of electricity
13 originally obtained by contract for the electrolytic process.

14 (4) In order to claim an exemption under this section, the
15 chlor-alkali electrolytic processing business or the sodium chlorate
16 electrolytic processing business must provide the light and power
17 business with an exemption certificate in a form and manner prescribed
18 by the department.

19 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2004."

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20 On page 1, line 2 of the title, after "business;" strike the
21 remainder of the title and insert "adding a new section to chapter
22 82.16 RCW; and providing an effective date."

EFFECT: Removes reporting requirements, studies, and expiration
date.

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